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C O N F I D E N T I A L SECTION 01 OF 04 SHANGHAI 000088

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E.O. 12958: DECL: 3/7/2033
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SUBJECT: DASD SEDNEY'S SHANGHAI ACADEMIC MEETINGS

CLASSIFIED BY: Kenneth Jarrett, Consul General, U.S. Consulate ,
Shanghai .
REASON: 1.4 (b), (d)

11. (C) Summary: During his February 27-March 2 trip to Shanghai, in addition to leading the U.S. delegation to the Defense Policy Coordination Talks (DPCT), Deputy Assistant Secretary of Defense for East Asia (DASD) David Sedney exchanged

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views on U.S.-China relations with Shanghai's leading U.S.-China relations academics and conducted a round table discussion with professors and students at Fudan University. Other aspects of DASD Sedney's trip will be reported septels. U.S.-China academics asserted that U.S.-China mil-mil relations continue to suffer from "strategic suspicions", but acknowledged that there has been a positive increase in dialogue between the two countries. They attributed China's military build-up to developments in Taiwan and to China's rising influence. They assured DASD Sedney that China's military buildup was motivated in part by China's desire to be more active in the world and to help the United States on humanitarian issues and should not be seen as a challenge to the United States. Academics and Fudan students also raised the "crisis" in Taiwan and criticized the USG for selling arms to Taiwan. Academics also touched on Russia, the U.S. decision to use an anti-ballistic missile to shoot down a wayward satellite and Burma. End Summary.

U.S.-China Mil-Mil Relations

12. (C) In addition to leading the U.S. delegation to the DPCT, DASD Sedney met with many of Shanghai's leading academics to exchange views on U.S.-China relations. He met with Shanghai Academy of Social Sciences Professor Huang Renwei, and attended a round-table hosted by Shanghai Jiaotong University RIMPAC Studies Professor Zhuang Jianzhong on February 29. On March 1, he met with Shanghai Institute of International Studies (SIIS) Department of American Studies Director Xia Liping, attended a roundtable at SIIS hosted by SIIS President Yang Jiemian and participated in a roundtable discussion with professors and students at Fudan University. The Fudan University roundtable was chaired by Fudan University Center for American Studies (CAS) Deputy Director Wu Xinbo and attended by Fudan CAS

Director Shen Dingli.

Mil-Mil Ties Improving

13. (C) The Shanghai academics agreed that the bilateral mil-mil relationship was the weakest aspect of the overall USG relationship. According to SIIS President Yang, while the general U.S.-China relationship has improved overall and become more stable, the mil-mil relationship was the last and most difficult aspect of the relationship to improve. Yang noted the new agreement to establish a hotline between the U.S. Department of Defense and Chinese Ministry of National Defense. He thought it would be difficult for Chinese military leaders to pick-up the phone without first reporting to other leaders in the government. China's system is different from the U.S. system. He urged that a gradual approach be taken to improve relations and was optimistic that relations would continue to improve.

14. (C) SASS Vice President Huang had a similar view on the mil-mil relationship and noted that there still exists "strategic suspicion" between the United States and China. On the positive side, both countries are quite eager to talk and the number of military exchanges and meetings has increased in the past year. However, there needs to be better explanations of both sides' intentions. He added that the new generation of PLA officers is more moderate and less influenced by the attitudes that dominated the PLA in the late 1980's and 1990's when there was very little cooperation between the two countries.

15. (C) DASD Sedney questioned whether China's new military generation is more moderate and said many young PLA officers appear to be very confident of the PLA's abilities. He urged a change in how these officers are educated. The Chinese military's focus on secrecy leads to suspicions and mistrust. Huang said that the young PLA officers' views are very different from China's top leaders. There are indications from the 17th

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Party Congress that the military is not very influential. There are no top military leaders in the Chinese Communist Party Central Committee Secretariat for the first time. He added that President Hu Jintao is very eager to keep a low profile for the military build up because Hu believes that a military build up is not good for the economy. Huang also agreed that it is important to educate the younger generation of the PLA. According to Huang, as China becomes more powerful, it will be less of a threat. Instability occurs when a rising power tries to replace an established power through military means. This is what Nazi Germany, Imperial Japan, and the Soviet Union tried to do. The United States is powerful because it supported Great Britain during its decline rather than try to replace it. China should emulate the U.S. model.

16. (C) In their separate discussions with DASD Sedney, Jiaotong University Professor Zhuang and Fudan University CAS Deputy Director Wu demonstrated that there continue to be deep suspicions about USG intentions in East Asia. Wu mistakenly believed that there had been "strategic" talks between Japan, Australia, India and the United States on security cooperation in May and August 2007 and asked when the next round would occur. DASD Sedney clarified that there had been one round of talks at a very low level, and were not "strategic" in nature. Zhuang noted that during Secretary Rice's recent visit to Japan she said that the United States wanted to strengthen the U.S.-Japan alliance. There are also calls for strengthening the U.S.-South Korea military relationship. In addition, Secretary of Defense Gates was recently in India in an effort to bolster U.S.-Indian military relations. Zhuang saw these developments as indications that the United States is trying to strengthen its Asian alliances without coordinating with China. According to Zhuang, China is promoting a coordinated defense mechanism in Asia and looks down upon bilateral alliances which are products of the Cold War. While not totally opposed to the U.S.-Japanese alliance, he said the alliance is being used to contain China. Like Wu, he claimed that discussions between Japan, Australia,

India and the United States last year were a clear effort to establish an "Asian NATO" to check China's military growth.

17. (C) DASD Sedney assured academics that the United States' strengthening its alliances with Japan and South Korea and its relationship with India are not efforts to contain China. In the case of Japan and South Korea, the United States is trying to transform the relationship to enable the two countries to have more ability to operate globally. Both countries have contributed to efforts to fight terrorism in Afghanistan and Iraq. Strengthening those alliances will allow them to provide even more support to these areas. Similarly, the U.S.-India relationship has made serious progress in the past five years and the military relationship is also moving ahead.

China's Military Buildup Driven by Taiwan and China's Rise

18. (C) Both Huang and Zhuang attributed China's military build-up to Beijing's concerns about Taiwan and to China's rise. Huang noted that the PLA's number one task is to attack Taiwan if a crisis occurs. In addition, Taiwan has more advanced military equipment than the Mainland. Japan's military is also becoming more powerful. The combined military strength of Taiwan, Japan and the United States is much greater than the PLA and driving the PLA's modernization efforts. If the situation in Taiwan subsides and President Chen Shui-bian is no longer in power, it would be difficult for the PLA to argue that it needs more equipment. A second reason for the build-up is China's rise. Huang noted that China is already a regional power and will become a global power in 20 to 30 years. With this increase in influence comes increased responsibility. China already pledged to send peacekeeping troops to Africa. This will likely continue in the future. There could be as many as one million Chinese immigrants in Latin America. If a crisis breaks out in Africa or Latin America, China must be prepared to deal with the crisis. In addition, unlike the United States, China does not currently have the capability to transport humanitarian assistance. For these reasons, it is important for China to build up its long-distance force projection. However, this build-up is not a challenge to the United States, but is meant to help the United States in resolving global issues.

19. (C) Zhuang had a similar view. He said the main purpose for

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China's military build-up is to enable the PLA to maintain vigilance and be prepared to take action if Taiwan attempts to become independent. He also agreed that as China rises it needs a stronger military to help the United States on global issues. Unlike Huang, he believes that the 17th Party Congress provided indications that the military continues to be influential. He noted that the 17th Party Congress report said that China needs a strong defense. The document also said that China plays a major role to "help" defend and promote security in Asia and the world. Past reports did not include the word "help". Zhuang said that "help" was inserted into the document to show China's willingness to assist the United States on global issues. Zhuang added that China also has many global interests and some territorial disputes with neighbors which call for a stronger military.

All Eyes on the Taiwan Referendum and Election

10. (C) Academics and Fudan University students consistently raised Taiwan in their meetings with DASD Sedney. They urged that the United States be more active in opposing the March 22 referendum on Taiwan membership in the United Nations. SIIS Department of Cross-Strait Relations Director and Executive Vice Director of Taiwan Affairs and Cross Strait Relations Yan Anlin expressed concerns about the current Taiwan domestic political situation. The Taiwan election campaign has become very nasty and filled with personal attacks. He had doubts about DPP candidate Frank Hsieh and said that if Hsieh wins the Presidential election, he would be under intense pressure from

the independence faction of the DPP. He believes that if the UN membership referenda do not pass on March 22 then there is reason to be optimistic about the future of cross-Strait relations.

¶11. (C) SIIS Department of American Studies Director Xia Liping said the worst case scenario is if the referendum passes and Hsieh is elected President. If this scenario occurs, the Mainland will have a "strong reaction." If the referendum does not pass then it may be easier for the Mainland to push forward and promote more positive developments in cross-Strait relations. For example, if Taiwan recognizes the 1992 consensus then the Mainland might be willing to discuss providing Taiwan with more international space and allow Taiwan to play a bigger role in the World Health Organization. There could also be more progress on the three direct links. He urged that the United States express its opposition to the referendum more strongly and at a higher level. He also urged that the United States consider the quality of its arms sales to Taiwan.

¶12. (C) DASD Sedney warned interlocutors that any angry reactions by the Mainland to the elections would be seen as irresponsible and would be counterproductive. Such a move would only bolster pro-independence forces in Taiwan and be seen as bullying by other countries in the region. He urged that China send signals that it is amenable to Taiwan playing a role in the WHO. The United States has already made its opposition to Taiwan's UN referendum known. The United States does not support either party in the election. Both Ma and Hsieh are pragmatic people who could bring progress to cross-Strait relations. On the issue of arms sales, U.S. arms sales to Taiwan have had a stabilizing effect on Taiwan. U.S. arms sales provide the Taiwan people with a sense of security and stability.

¶13. (C) SIIS Yang and SASS Huang noted that they had not considered the U.S. arms sales as a stabilizing effect and said they would consider the idea. Yang noted that there are other reasons behind the increase in stability in the area. There has been an increase of people-to-people exchanges, investment and trade across the Taiwan Strait. There are also 350,000 Taiwan people who live in the greater Shanghai area, mostly businesspersons. He supports having more track one and track two dialogues on Taiwan. Fudan University CAS Deputy Director Wu said he is not convinced that U.S. arms sales to Taiwan contribute to stability in the area. According to Wu, one could interpret the arms sales as a sign of U.S. support for Taiwan and vigilance against China. It provides great opportunities for pro-independence forces in Taiwan. While this might not be what the United States intends by selling arms to Taiwan, arms sales do create opportunities for pro-independence people. If the United States stops the arms sales, it might make the Taiwan

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people more realistic and pragmatic. Fudan University CAS Director Shen added that Taiwan is a perennial issue in the U.S.-China relationship. It is good that the United States does not try to control Taiwan, but the United States still has influence on Taiwan. He questioned whether it is appropriate for the United States to play such a big role in cross-Strait issues and noted that cross-Strait peace and stability continues to be on U.S. terms.

Satellite Shoot-Down

¶14. (C) A few interlocutors asked whether the USG had briefed China on the United States using an anti-ballistic missile to shoot down the wayward spy satellite. Shen said that whatever the story the United States provides to the world, people in China still have suspicions whether the story is genuine. He added that "folks" were impressed by the success of the shooting and that the incident would have a long-term impact. DASD Sedney assured interlocutors that the main purpose of the U.S. action was to destroy a dangerous satellite. The U.S. actions were done in a transparent way and no debris was left in orbit.

Russia

¶15. (C) SASS Huang asserted that Russia's more aggressive international posture is due in part to Russia's domestic political situation and in reaction to NATO expansion. Russia believes that NATO enlargement will not stop at the Baltic countries. NATO might one day include Georgia, Azerbaijan, Ukraine and even some countries in Central Asia. Russia is using every means to slow this trend. President Putin's thinking appears to shift a lot, however, and it is hard to predict what Russia's long-term policies will be. China does not want to have conflicts in the Pacific, Europe or Siberia. In addition, Kosovo has been very difficult for China. SIIS Yang noted that the Chinese-Russian relationship is cautious in nature and not as strong as the U.S.-China relationship.

Burma

¶16. (C) SIIS Department of Asia-Pacific Studies Director Ma Ying raised the issue of Burma during the SIIS roundtable. Ma downplayed China's influence on Burma noting that because of China's longstanding principle of not interfering in the domestic politics of other countries, China has not had much influence on Burma's domestic situation. However, China is trying to cooperate with others to improve the situation in Burma. China cooperates on three levels. It cooperates bilaterally with countries like the United States, Japan, and the EU. It also cooperates regionally with ASEAN. Cooperation with ASEAN is particularly important because Burma is a member of ASEAN. China also cooperates on the global level with the UN. For example, it used its influence to persuade Burma to allow the UN Special envoy to visit the country in February of this year.

China in Sudan

¶17. During his meetings, DASD consistently raised the importance of China becoming more active in Sudan. He expressed appreciation for China's decision to send peacekeeping troops to Sudan. Once a country establishes businesses and diplomatic relations in another country, it has an impact on that country. As China becomes more powerful and influential, it should also become more active in promoting peace.

¶18. (U) This report was cleared by DASD Sedney's staff.
JARRETT